

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 722 - SB 792

March 25, 2015

SUMMARY OF BILL: Limits investigations of police officers, pursuant to Tenn. Code Ann., Title 38, Chapter 8, Part 3, to only officers eligible to be paid overtime pursuant to the Fair Labor Standards Act.

ESTIMATED FISCAL IMPACT:

**Increase Local Expenditures – Exceeds \$5,000/One-Time
Exceeds \$10,000/Recurring**

Assumptions:

- Tenn. Code Annotated, Title 38, Chapter 8, Part 3, currently applies only to local governments that provide a property interest in employment for their police officers that have no other established procedures for dealing with the dismissal, demotion, suspension or transfer for punitive actions of police officers.
- This bill removes the current application and applies this part to all overtime eligible police officers.
- The Municipal Technical Advisory Service (MTAS) reports that there will be significant non-recurring costs to analyze existing policies and procedures to adapt to the new law, as well as recurring expenditures to set up an appeals panel pursuant to §38-8-305.
- CTAS indicated the bill will have a negative fiscal impact to counties.
- The fiscal impact of this bill on local governments is dependent on several unknown factors such as the number of local entities that will have to review current policies and procedures, the extent of changes that will be required to such policies and procedures, and the extent to which local liabilities will change from limiting investigations that might otherwise result in the dismissal of an officer with a history of punitive actions.
- Given the extent of unknown factors, determining a precise impact to local government is difficult. However, and based on the information provided by MTAS and CTAS, the one-time increase in local expenditures is reasonably estimated to exceed \$5,000 statewide; the recurring increase in local expenditures is reasonably estimated to exceed \$10,000 statewide.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

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A handwritten signature in dark ink, reading "Jeffrey L. Spalding". The signature is written in a cursive, flowing style.

Jeffrey L. Spalding, Executive Director

/rnc